

House Study Bill 266

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
GOVERNMENT OVERSIGHT BILL
BY CHAIRPERSON ALONS)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to purchases made by state agencies using a state
2 procurement card.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 3194HC 81
5 jr/cf/24

PAG LIN

1 1 Section 1. Section 8A.302, subsection 1, Code 2005, is
1 2 amended to read as follows:
1 3 1. a. Providing a system of uniform standards and
1 4 specifications for purchasing. When the system is developed,
1 5 all items of general use shall be purchased by state agencies
1 6 through the department, except items used by the state
1 7 department of transportation, institutions under the control
1 8 of the state board of regents, the department for the blind,
1 9 and any other agencies exempted by law. However, items of
1 10 general use may be purchased through the department by any
1 11 governmental entity.
1 12 b. In addition to this system, the department shall adopt
1 13 rules, pursuant to chapter 17A, establishing standards for the
1 14 organization and operation of a procurement card program. The
1 15 program shall be the sole source of procurement cards for
1 16 state agencies, notwithstanding any other provision of this
1 17 subsection to the contrary. The goal of the program is to
1 18 facilitate purchasing of items costing less than one thousand
1 19 dollars by state agencies, which are not otherwise available
1 20 through the system or otherwise through a state contract.
1 21 Agency participation in the program is subject to annual
1 22 authorization by the department. An agency shall not be
1 23 authorized to participate in the procurement card program
1 24 unless it demonstrates, to the satisfaction of the department,
1 25 that the cost of procurement card purchases would be
1 26 comparable in cost to purchases made through a state contract
1 27 or other procurement procedures.
1 28 The standards shall be designed to promote economy,
1 29 accountability, and efficiency in the procurement process and
1 30 shall include, but not be limited to, the following:
1 31 (1) Annual limits for the aggregate value of purchases
1 32 made by each agency under the program and specific limits for
1 33 each card and the number of cards that may be issued to an
1 34 agency and an individual employed by the agency.
1 35 (2) Approval by the department of every card account that
2 1 is established and approval of any individual employee who is
2 2 to be issued a procurement card.
2 3 (3) Internal management and auditing procedures that each
2 4 agency must follow to ensure proper usage of the program.
2 5 (4) A monitoring process to be used by the department to
2 6 prevent abuse of the program.
2 7 (5) An annual report to the department, by each
2 8 participating agency, detailing purchases made under the
2 9 program.

EXPLANATION

2 10 This bill establishes a program to be administered by the
2 11 department of administrative services for the use of
2 12 procurement cards by state agencies in making purchases of
2 13 items costing less than \$1,000. The cards are to be used as
2 14 an alternative to purchasing through a state contract or some
2 15 other procurement process. The department of administrative
2 16 services is required to promulgate rules detailing the
2 17 organization and operation of the program, and must annually

2 19 authorize each agency wishing to participate in the program.
2 20 LSB 3194HC 81
2 21 jr:nh/cf/24